

## CHAPTER 168

## INVESTMENT COMPANIES

S. F. 504

AN ACT to amend the law as it appears in section one thousand nine hundred and twenty-u16 (1920-u16) of the supplemental supplement to the code, 1915 (C. C. 5433), relating to the sale of stocks and bonds and other securities, providing for the issuance of a permit by the secretary of state, and the cancellation thereof, for the investigation of the securities to be offered for sale and the furnishing of a bond by such broker, and providing for the forfeiture thereon and the amount of liability on said bond.

*Be it enacted by the General Assembly of the State of Iowa:*

1     **SECTION 1. Bond—conditions—action.** That the law as it appears  
2 in section one thousand nine hundred twenty-u16 (1920-u16) of the  
3 supplemental supplement to the code, 1915, be and the same is hereby  
4 amended by striking out of said section all after the period (.) fol-  
5 lowing the word "half" in line twenty-three (23) of said section and  
6 inserting in lieu thereof the following:  
7     "Before being granted such permit by the secretary of state, the  
8 stock broker or dealer shall give a bond in the penal sum of five thou-  
9 sand dollars (\$5,000.00) to the state of Iowa, for the use and benefit  
10 of any interested person, conditioned upon a strict compliance with  
11 this act and the honest and faithful application of all funds received  
12 by said broker, which bond shall be approved by the executive council  
13 and filed with the secretary of state. Said bond shall be further con-  
14 ditioned for the payment of all damages suffered by any person dam-  
15 aged or defrauded by reason of the violation of any of the provisions  
16 of this chapter, or by reason of any fraud connected with or growing  
17 out of any transaction contemplated by the provisions of this chapter.  
18 Action may be brought upon said bond in the county where the plain-  
19 tiff resides, or in any county in which any of the defendants may be  
20 sued, or in any county of the state wherein any of the transactions  
21 relating to the subject matter of the action transpired."

Approved March 28, A. D. 1923.